



February 8th, 2023

Senator Guy Guzzone, Chair
Senate Budget and Taxation Committee
3 West, Miller Senate Office Building
Annapolis, MD 21401

RE: Senate Bill 261 – UNFAVORABLE – Motor Fuel Tax Rates – Consumer Price Index Adjustment – Repeal

Dear Chair Guzzone and Members of the Budget and Taxation Committee:

The Maryland Transportation Builders and Materials Association (“MTBMA”) has been and continues to serve as the voice for Maryland’s construction transportation industry since 1932. Our association is comprised of 200 members. MTBMA encourages, develops, and protects the prestige of the transportation construction and materials industry in Maryland by establishing and maintaining respected relationships with federal, state, and local public officials.

Senate Bill 261 would stop all future automatic increases to Maryland’s motor fuel tax rates by decoupling those rates from the Consumer Price Index for all urban consumers, one of the most common metrics to measure inflation. This tether was codified by the Transportation Infrastructure Investment Act of 2013, which also increased Maryland’s motor fuel tax rates for the first time since 1992. Since its enactment, this inflationary provision has generated an additional \$15-20 million annually for the Transportation Trust Fund (“TTF”) over the prior year. Realizing consistent revenue increases for the TTF is integral to maintaining the spending power of the Maryland Department of Transportation’s (“MDOT’s”) capital program, as any decrease in TTF revenues would jeopardize MDOT’s capacity to issue Consolidated Transportation Bonds due to their debt service requirements, as well as any future proposed projects within other transportation modals. The needs of our State are critical, and we cannot afford to impose more constraints on a region that is struggling with massive deficiencies in its transportation infrastructure network.

We appreciate you taking the time to address this important issue, and we urge an unfavorable report on Senate Bill 261.

Thank you,

Michael Sakata
President and CEO
Maryland Transportation Builders and Materials Association